

EXHIBIT 1

REDACTED

EXHIBIT 2

Power Integrations Announces Delay in Filing of Form 10-K

SAN JOSE, Calif.--(BUSINESS WIRE)--March 13, 2006--Power Integrations (Nasdaq:POWI - News) today announced a delay in the filing of its Form 10-K for fiscal year 2005. The delay will allow for the completion of an ongoing internal investigation of company practices related to stock-option grants to officers and directors, and related matters. A special committee of the company's board of directors is conducting the review. The investigation is in its early stages and no determination has been made as to whether it will result in any impact on the company's financial statements.

About Power Integrations

Power Integrations, Inc. (Nasdaq:POWI - News) is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough integrated-circuit technology enables compact, energy-efficient power supplies in a wide range of electronic products, in both AC-DC and DC-DC applications. The company's EcoSmart® energy-efficiency technology, which dramatically reduces energy waste, has saved consumers and businesses around the world more than an estimated \$1.4 billion on their electricity bills since its introduction in 1998. For more information, visit the company's website at www.powerint.com.

Contact:

Power Integrations, Inc.
Joe Shiffler, 408-414-8528
jshiffler@powerint.com

EXHIBIT 3

REDACTED

EXHIBIT 4

REDACTED

EXHIBIT 5

Power Integrations Receives Nasdaq Notice Regarding Delayed Filing of Form 10-K

SAN JOSE, Calif.—March 17, 2006—Power Integrations (Nasdaq:POWI) today announced that it has received a Nasdaq Staff Determination stating that the company is not in compliance with Marketplace Rule 4310(c)(14) because it has not timely filed its report on Form 10-K for the year ended December 31, 2005 and, therefore, that its securities are subject to delisting from the Nasdaq National Market. The company disclosed on March 13, 2006 that its filing of Form 10-K for the year 2005 would be delayed to allow for the completion of an ongoing internal investigation of company practices related to stock-option grants to officers and directors, and related matters.

The company intends to request a hearing before a Nasdaq Listing Qualifications Panel to review the Staff Determination. Delisting will be stayed pending a decision by the hearing panel. There can be no assurance that the Panel will grant the company's request for continued listing.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding the company's plans to request a hearing with Nasdaq and the potential outcomes of such a request. These forward-looking statements are subject to risks and uncertainties, and actual results could differ materially from those projected. These risks and uncertainties include but are not limited to the timing of the company's filing of Form 10-K for the year ended December 31, 2005, and the outcome of the internal investigation mentioned above. Additional risk factors associated with the company's business are explained in the company's most recent annual report on Form 10-K, filed with the SEC on March 16, 2005, and its quarterly report on Form 10-Q, filed on November 7, 2005. The company is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

About Power Integrations

Power Integrations, Inc. (Nasdaq:POWI) is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough integrated-circuit technology enables compact, energy-efficient power supplies in a wide range of electronic products, in both AC-DC and DC-DC applications. The company's EcoSmart(R) energy-efficiency technology, which dramatically reduces energy waste, has saved consumers and businesses around the world more than an estimated \$1.4 billion on their electricity bills since its introduction in 1998. For more information, visit the company's website at www.powerint.com.

EXHIBIT 6

Power Integrations Expects Restatement of Financials Related to Stock-Based Compensation

SAN JOSE, Calif.—May 5, 2006—Power Integrations, Inc. (Nasdaq:POWI) disclosed on March 13, 2006 that it had created a special committee comprised of disinterested members of its board of directors to conduct an internal investigation of company practices related to stock option grants to officers and directors, and related matters. The special committee is being assisted by independent outside legal counsel and accounting experts. At this time, the special committee has not completed its work or reached final conclusions and is continuing its review. The special committee has reached a preliminary conclusion that the actual dates of measurement for certain past stock option grants differed from the recorded grant dates for such awards. As a result, the company expects to record additional non-cash charges for stock-based compensation expenses in prior periods. Based on the special committee's preliminary conclusion, the company expects that such non-cash charges will be material and that the company may need to restate its historical financial statements for each of the fiscal years 1999 through 2004, and for the first three quarters of the fiscal year ended December 31, 2005. Such charges may also affect future periods. On May 4, 2006, the audit committee of the company's board of directors concluded that such financial statements and any related reports of its independent registered public accounting firm should no longer be relied upon.

Any such stock-based compensation charges would have the effect of decreasing income from operations, net income and retained earnings figures contained in the company's historical financial statements. The company does not expect that the anticipated restatements would have a material impact on its historical revenues, cash position or operating expenses not related to stock options.

On May 4, 2006, Howard Earhart resigned as the chairman of the company's board of directors, and John Cobb resigned as the company's chief financial officer. The board expects to elect a non-executive chairman from among existing independent directors in the near future, and the company plans to initiate a search for a new chief financial officer immediately.

As announced on March 17, 2006, the company received a Nasdaq Staff Determination stating that the company is not in compliance with Marketplace Rule 4310(c)(14) because it has not timely filed its report on Form 10-K for the year ended December 31, 2005 and, therefore, that its securities are subject to delisting from the Nasdaq National Market. On March 22, 2006, the company requested a hearing with Nasdaq to seek an exception to the filing requirement, which hearing was held on April 12, 2006. On May 2, 2006, Nasdaq notified the company that the exception had been granted, and that it would continue to list the company's shares on the Nasdaq National Market, provided that the company (i) provide Nasdaq with information regarding the final results of the investigation by the special committee on or before June 7, 2006, (ii) file its Form 10-K for the year ended December 31, 2005 and all required restatements on or before July 12, 2006, and (iii) file its Form 10-Q for the quarter ended March 31, 2006 on or before August 2, 2006. In the event the company is unable to comply with the terms of the exception, its securities may be delisted.

The company intends to file its Form 10-K for 2005 and any financial statements required to be restated, as well as its Form 10-Q for the quarter ended March 31, 2006, as soon as practicable after the completion of the special committee's review.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding the company that involve risk and uncertainties. There can be no assurances that forward-looking statements will be achieved, and actual results could differ materially from forecasts and estimates. Important factors that could cause actual results to differ materially include: the results of the review by the special committee of matters relating to the company's stock option grants including, but not limited to, the accuracy of the stated dates of option grants and whether all proper corporate procedures were followed; the impact of any restatement of financial statements of the company or other actions that may be taken or required as a result of such reviews; the inability of the company's inability to file reports with the Securities and Exchange Commission; risks associated with the company's inability to meet Nasdaq requirements for continued

listing, including possible delisting; and risks of litigation related to the company's stock option grants or any restatement of the financial statements of the company. Additional risk factors associated with the company's business are explained in the company's annual report on Form 10-K, filed with the SEC on March 16, 2005, and its quarterly report on Form 10-Q, filed on November 7, 2005. The company is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

About Power Integrations

Power Integrations, Inc. is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough technology enables compact, energy-efficient power supplies in a wide range of electronic products, in both AC-DC and DC-DC applications. The company's EcoSmart energy-efficiency technology, which dramatically reduces energy waste, has saved consumers and businesses around the world more than an estimated \$1.5 billion on their electricity bills since its introduction in 1998. For more information, visit the company's website at www.powerint.com. For information on global energy-efficiency standards and EcoSmart solutions, visit the Power Integrations Green Room at www.powerint.com/greenroom.

EXHIBIT 7

POWER INTEGRATIONS INC

FORM 8-K (Unscheduled Material Events)

Filed 5/9/2006 For Period Ending 5/5/2006

Address	5245 HELLYER AVE SAN JOSE, California 95138
Telephone	408-414-9200
CIK	0000833640
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (date of earliest event reported): May 5, 2006

Power Integrations, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0- 23441
(Commission File No.)

94-3065014
(I.R.S. Employer
Identification No.)

5245 Hellyer Avenue
San Jose, California 95138-1002
(Address of principal executive offices)

Registrant's telephone number, including area code: (408) 414-9200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report, or Completed Interim Review.

(a) Power Integrations, Inc. (the "Company") disclosed on March 13, 2006 that it had created a Special Committee comprised of disinterested members of its Board of Directors (the "Board") to conduct an internal investigation of company practices related to stock option grants to officers and directors, and related matters. The Special Committee is being assisted by independent outside legal counsel and accounting experts. At this time, the Special Committee has not completed its work or reached final conclusions and is continuing its review. The Special Committee has reached a preliminary conclusion that the actual dates of measurement for certain past stock option grants differed from the recorded grant dates for such awards. As a result, the Company expects to record additional non-cash charges for stock-based compensation expenses in prior periods. Based on the Special Committee's preliminary conclusion, the Company expects that such non-cash charges will be material and that the Company may need to restate its historical financial statements for each of the fiscal years 1999 through 2004, and for the first three quarters of the fiscal year ended December 31, 2005. Such charges may also affect future periods. On May 4, 2006, the Audit Committee of the Company's Board concluded that such financial statements and any related reports of its independent registered public accounting firm should no longer be relied upon.

Any such stock-based compensation charges would have the effect of decreasing income from operations, net income and retained earnings figures contained in the Company's historical financial statements. The Company does not expect that the anticipated restatements would have a material impact on its historical revenues, cash position or operating expenses not related to stock options.

The Special Committee discussed with the Company's independent registered public accounting firm the matters disclosed in this Item 4.02 but, as the internal investigation of the Special Committee has not been completed, the independent registered public accounting firm has not yet had an opportunity to consider the preliminary results of the investigation.

Additionally, the Company is evaluating Management's Report on Internal Controls Over Financial Reporting set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004. Although the Company has not yet completed its analysis of the impact of this situation on its internal controls over financial reporting, the Company has determined that it is highly likely that it had a material weakness in internal control over financial reporting as of December 31, 2004 and December 31, 2005. A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financials will not be prevented or detected. If the Company were to conclude that a material weakness existed, it would expect to receive an adverse opinion on internal control over financial reporting from its independent public accounting firm.

The Company intends to file its Annual Report on Form 10-K for 2005 and any financial statements required to be restated, as well as its Form 10-Q for the quarter ended March 31, 2006, as soon as practicable after the completion of the Special Committee's investigation.

A copy of the press release relating to the foregoing is attached hereto as Exhibit 99.1 and is incorporated in this Item 4.02 by reference.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On May 4, 2006, Howard Earhart, resigned as the chairman of the Company's Board of Directors. Mr. Earhart was the Company's chief executive officer, and a director, from 1995 through 2002. Also on May 4, 2006, John Cobb resigned as the Company's chief financial officer. In connection with Mr. Earhart's resignation, the size of the Company's Board was reduced from 9 to 8.

On May 8, 2006, the Company announced that Steven J. Sharp, who has served as a director of the Company since 1988, has been elected chairman of the Board of Directors, succeeding Mr. Earhart. A copy of the press release relating to the foregoing is attached hereto as Exhibit 99.2 and is incorporated in this Item 5.02 by reference.

Item 8.01 Other Events.

As announced on March 17, 2006, the Company received a Nasdaq Staff Determination stating that the Company is not in compliance with Marketplace Rule 4310(c)(14) because it has not timely filed its report on Form 10-K for the year ended December 31, 2005 and, therefore, that its securities are subject to delisting from the Nasdaq National Market. On March 22, 2006, the Company requested a hearing with Nasdaq to seek an exception to the filing requirement, which hearing was held on April 12, 2006. On May 2, 2006, Nasdaq notified the Company that the exception had been granted, and that it would continue to list the Company's shares on the Nasdaq National Market, provided that the Company (i) provide Nasdaq with information regarding the final results of the investigation by the Special Committee on or before June 7, 2006, (ii) file its Form 10-K for the year ended December 31, 2005 and all required restatements on or before July 12, 2006, and (iii) file its Form 10-Q for the quarter ended March 31, 2006 on or before August 2, 2006. In the event the Company is unable to comply with the terms of the exception, its securities may be delisted.

On April 25, 2006, a shareholder filed a derivative complaint in the US District Court in the Northern District of California, purportedly on behalf of the Company, against certain executives of the Company and certain members of the Company's Board. The complaint alleges, among other things, that the defendants breached their fiduciary duties between 1998 and 2004 by (i) improperly requesting backdated stock option grants, which were intended to, and did, unduly benefit certain defendants at the expense of the Company, (ii) approving such improper requests and improperly backdating the stock option grants, and (iii) knowingly approving the Company's violations of generally accepted accounting principles. The complaint also alleges that the officer defendants were unjustly enriched by their receipt and retention of the backdated stock option grants.

The Company does not intend to file further current reports on Form 8-K describing additional lawsuits, if any, purporting class action status, in either federal or state court, which are based on allegations substantially similar to those contained in the complaint described herein.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Title or Description</u>
99.1	Company Press Release dated May 5, 2006
99.2	Company Press Release dated May 8, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 8, 2006

Power Integrations, Inc.

By: /s/ Balu Balakrishnan

Balu Balakrishnan
Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Power Integrations Press Release dated May 5, 2006
99.2	Power Integrations Press Release dated May 8, 2006



For Immediate Release

Contact :
Joe Shiffler
Power Integrations, Inc.
(408) 414-8528
jshiffler@powerint.com

**Power Integrations Expects Restatement of Financials Related to
Stock-Based Compensation**

SAN JOSE, Calif. – May 5, 2006 – Power Integrations, Inc. (Nasdaq: POWI) disclosed on March 13, 2006 that it had created a special committee comprised of disinterested members of its board of directors to conduct an internal investigation of company practices related to stock option grants to officers and directors, and related matters. The special committee is being assisted by independent outside legal counsel and accounting experts. At this time, the special committee has not completed its work or reached final conclusions and is continuing its review. The special committee has reached a preliminary conclusion that the actual dates of measurement for certain past stock option grants differed from the recorded grant dates for such awards. As a result, the company expects to record additional non-cash charges for stock-based compensation expenses in prior periods. Based on the special committee's preliminary conclusion, the company expects that such non-cash charges will be material and that the company may need to restate its historical financial statements for each of the fiscal years 1999 through 2004, and for the first three quarters of the fiscal year ended December 31, 2005. Such charges may also affect future periods. On May 4, 2006, the audit committee of the company's board of directors concluded that such financial statements and any related reports of its independent registered public accounting firm should no longer be relied upon.

Any such stock-based compensation charges would have the effect of decreasing income from operations, net income and retained earnings figures contained in the company's historical financial statements. The company does not expect that the anticipated restatements would have a material impact on its historical revenues, cash position or operating expenses not related to stock options.

On May 4, 2006, Howard Earhart resigned as the chairman of the company's board of directors, and John Cobb resigned as the company's chief financial officer. The board expects to elect a non-executive chairman from among existing independent directors in the near future, and the company plans to initiate a search for a new chief financial officer immediately.

As announced on March 17, 2006, the company received a Nasdaq Staff Determination stating that the company is not in compliance with Marketplace Rule 4310(c)(14) because it has not timely filed its report on Form 10-K for the year ended December 31, 2005 and, therefore, that its securities are subject to delisting from the Nasdaq National Market. On March 22, 2006, the

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Power Integrations Expects Restatement of Financials

company requested a hearing with Nasdaq to seek an exception to the filing requirement, which hearing was held on April 12, 2006. On May 2, 2006, Nasdaq notified the company that the exception had been granted, and that it would continue to list the company's shares on the Nasdaq National Market, provided that the company (i) provide Nasdaq with information regarding the final results of the investigation by the special committee on or before June 7, 2006, (ii) file its Form 10-K for the year ended December 31, 2005 and all required restatements on or before July 12, 2006, and (iii) file its Form 10-Q for the quarter ended March 31, 2006 on or before August 2, 2006. In the event the company is unable to comply with the terms of the exception, its securities may be delisted.

The company intends to file its Form 10-K for 2005 and any financial statements required to be restated, as well as its Form 10-Q for the quarter ended March 31, 2006, as soon as practicable after the completion of the special committee's review.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding the company that involve risk and uncertainties. There can be no assurances that forward-looking statements will be achieved, and actual results could differ materially from forecasts and estimates. Important factors that could cause actual results to differ materially include: the results of the review by the special committee of matters relating to the company's stock option grants including, but not limited to, the accuracy of the stated dates of option grants and whether all proper corporate procedures were followed; the impact of any restatement of financial statements of the company or other actions that may be taken or required as a result of such reviews; the inability of the company's inability to file reports with the Securities and Exchange Commission; risks associated with the company's inability to meet Nasdaq requirements for continued listing, including possible delisting; and risks of litigation related to the company's stock option grants or any restatement of the financial statements of the company. Additional risk factors associated with the company's business are explained in the company's annual report on Form 10-K, filed with the SEC on March 16, 2005, and its quarterly report on Form 10-Q, filed on November 7, 2005. The company is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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About Power Integrations

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For Immediate Release

Contact:

Joe Shiffler
Power Integrations, Inc.
(408) 414-8528
jshiffler@powerint.com

**Steve Sharp Elected Non-Executive Chairman of Power Integrations
Board of Directors**

SAN JOSE, Calif. – May 8, 2006 – Power Integrations (Nasdaq: POWI) today announced that Steven J. Sharp has been elected non-executive chairman of the company's board of directors, succeeding Howard Earhart. Mr. Earhart, the company's chief executive officer from 1995 until 2002, served as non-executive chairman from 2002 until his resignation last week.

Mr. Sharp has served as a director of Power Integrations since the company's inception in 1988, and is also a member of the board's nominating and corporate governance committee. From 1991 until 2002 Mr. Sharp was chairman and CEO of TriQuint Semiconductor, a manufacturer of electronic components for the communications industry. He currently serves as non-executive chairman of TriQuint. In addition, he is vice chair of the Oregon chapter of the American Electronics Association, and heads a private foundation that funds research to find the causes of ADD (attention deficit disorder).

Mr. Sharp is a 45-year veteran of the semiconductor industry and has served in director/officer roles in the formative years of Power Integrations, TriQuint, Megatest (now Teradyne), Crystal Semiconductor (now Cirrus Logic), Silicon Architects (now Synopsys) and Volterra. He qualifies as an independent director of Power Integrations according to Nasdaq and SEC rules.

"I am proud to take on the role of non-executive chairman of Power Integrations," said Mr. Sharp. "I believe that Power Integrations has an extremely bright future as the leader in high-voltage power conversion technology, and I look forward to working with CEO Balu Balakrishnan as he and his management team continue to execute their growth strategy."

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding the company's future that involve risk and uncertainties. There can be no assurances that forward-looking statements will be achieved, and actual results could differ materially from forecasts and estimates. Important factors that could cause actual results to differ materially include: the results of the review by the

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special committee of matters relating to the company's stock option grants including, but not limited to, the accuracy of the stated dates of option grants and whether all proper corporate procedures were followed; the impact of any restatement of financial statements of the company or other actions that may be taken or required as a result of such reviews; the inability of the company to file reports with the Securities and Exchange Commission; risks associated with the company's inability to meet Nasdaq requirements for continued listing, including possible delisting; and risks of litigation related to the company's stock option grants or any restatement of the financial statements of the company. Additional risk factors associated with the company's business are explained in the company's annual report on Form 10-K, filed with the SEC on March 16, 2005, and its quarterly report on Form 10-Q, filed on November 7, 2005. The company is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

About Power Integrations

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EXHIBIT 8

POWER INTEGRATIONS INC

FORM 8-K (Unscheduled Material Events)

Filed 5/24/2006 For Period Ending 5/23/2006

Address	5245 HELLYER AVE SAN JOSE, California 95138
Telephone	408-414-9200
CIK	0000833640
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (date of earliest event reported):
May 23, 2006**

Power Integrations, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0- 23441
(Commission File No.)

94-3065014
(I.R.S. Employer
Identification No.)

**5245 Hellyer Avenue
San Jose, California 95138-1002**
(Address of principal executive offices)

**Registrant's telephone number, including area code:
(408) 414-9200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01 Other Events.

In conjunction with the previously announced review by Power Integrations, Inc. (the "Company") of its practices related to stock option grants, the Company is also cooperating with the Securities and Exchange Commission (the "SEC") and with the U.S. Attorney's Office for the Northern District of California ("DOJ") in their investigations of the Company's stock option practices. On May 23, 2006, the DOJ issued a grand jury subpoena to the Company requesting that the Company produce documents relating to the granting of stock options from 1995 through the present. The Company intends to fully cooperate with the SEC and the DOJ in their investigations.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 24, 2006

Power Integrations, Inc.

By: /s/ Balu Balakrishnan

Balu Balakrishnan
Chief Executive Officer

EXHIBIT 9

POWER INTEGRATIONS INC

FORM 8-K (Unscheduled Material Events)

Filed 5/26/2006 For Period Ending 5/24/2006

Address	5245 HELL YER AVE
	SAN JOSE, California 95138
Telephone	408-414-9200
CIK	0000833640
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (date of earliest event reported):
May 24, 2006**

Power Integrations, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23441
(Commission File No.)

94-3065014
(I.R.S. Employer
Identification No.)

**5245 Hellyer Avenue
San Jose, California 95138-1002**
(Address of principal executive offices)

**Registrant's telephone number, including area code:
(408) 414-9200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On May 24, 2006, Power Integrations, Inc. (the "Company") received a written Staff Determination notice from the Nasdaq Stock Market stating the Company is not in compliance with Nasdaq's Marketplace Rule 4310(c)(14) because the Company has not timely filed its report on Form 10-Q for the quarter ended March 31, 2006. As previously disclosed, Nasdaq initially informed the Company on March 17, 2006 that its securities would be delisted for failure to timely file its Form 10-K for the year ended December 31, 2005, unless the Company requested a hearing in accordance with applicable Nasdaq Marketplace rules. The Company subsequently requested and was granted a hearing with the Nasdaq Listing Qualifications Panel (the "Listing Panel") on April 12, 2006. Also as previously disclosed, on May 2, 2006, the Listing Panel granted a conditional extension to the Company's request for continued listing on the Nasdaq National Market provided that the Company (i) provide Nasdaq with information regarding the final results of its internal investigation on or before June 7, 2006, (ii) file its Form 10-K for the year ended December 31, 2005 and all required restatements on or before July 12, 2006, and (iii) file its Form 10-Q for the quarter ended March 31, 2006 on or before August 2, 2006. A copy of the press release issued on May 26, 2006 announcing the receipt of the notice is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statement and Exhibits.**(d) Exhibits.**

Exhibit Number	Exhibit Title or Description
99.1	Press Release dated May 26, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 26, 2006

Power Integrations, Inc.

By: /s/ Balu Balakrishnan

Balu Balakrishnan
Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Power Integrations Press Release, issued May 26, 2006.



For Immediate Release

Contact:
Joe Shiffler
Power Integrations, Inc.
(408) 414-8528
jshiffler@powerint.com

**Power Integrations Receives Notice from Nasdaq Regarding
Delayed Filing of Form 10-Q for First Quarter of 2006
*Previously Granted Listing Extension Remains in Force***

SAN JOSE, Calif. – May 26, 2006 – Power Integrations (Nasdaq: POWI) today announced that it has received an additional Staff Determination notice from the Nasdaq Stock Market stating that the company is not in compliance with Marketplace Rule 4310(c)(14) because it has not yet filed its Form 10-Q for the quarter ended March 31, 2006. Such notice is customarily issued to Nasdaq-listed companies when required periodic filings are not made on a timely basis.

As previously disclosed, Nasdaq informed the company on March 17, 2006 that its securities were subject to delisting for failure to file its 2005 Form 10-K in a timely manner. The company requested a hearing with the Nasdaq Listing Qualifications Panel and, as previously disclosed, on May 2 the Panel granted the company an exception to Rule 4310(c)(14), stating that the company's shares would continue to be listed on the Nasdaq National Market provided that the company (i) provide Nasdaq with information regarding the final results of its internal investigation on or before June 7, 2006, (ii) file its Form 10-K for the year ended December 31, 2005 and all required restatements on or before July 12, 2006, and (iii) file its Form 10-Q for the quarter ended March 31, 2006 on or before August 2, 2006. This exception, which expressly contemplated the delayed filing of Form 10-Q for the first quarter, remains in force.

About Power Integrations

Power Integrations, Inc. is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough integrated-circuit technology enables compact, energy-efficient power supplies in a wide range of electronic products, in both AC-DC and DC-DC applications. The company's *EcoSmart*® energy-efficiency technology, which dramatically reduces energy waste, has saved consumers and businesses around the world more than an estimated \$1.6 billion on their electricity bills since its introduction in 1998. For more information, visit the company's website at www.powerint.com.

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EXHIBIT 10



ORRICK, HERRINGTON & SUTCLIFFE LLP
1000 MARSH ROAD
MENLO PARK, CALIFORNIA 94025
tel 650-614-7400
fax 650-614-7401
WWW.ORRICK.COM

June 8, 2006

Bas de Blank
(650) 614-7343
basdeblank@orrick.com

VIA FACSIMILE

Michael Headley
Fish & Richardson P.C.
500 Arguello Street
Suite 500
Redwood City, CA 94036

Re: Power Integrations v. Fairchild Semiconductor et al. (CA 04-1371 JJF)

Dear Michael:

At the parties' May 31, 2006 pretrial conference, the Court extended damages discovery due, in part, to Power Integrations' continuing investigation of its financial statements. Power Integrations was to have completed its internal investigation by June 7, 2006. Please confirm that Power Integrations has done so and produce all documents concerning that investigation. This will include, but not be limited to, the report of the investigative committee, any notes or documents prepared for or by the committee, and any other documents relating to either Power Integrations' backdating of its stock options or its restatements of its financial reports. If Power Integrations intends to withhold any documents on the basis of privilege, please provide a log identifying such documents and information sufficient to substantiate the asserted privilege.

Further, please confirm that Power Integrations will file its 2005 10-K and all required restatements by July 12, 2006 and that Power Integrations will file its 10-Q for the quarter ended March 31, 2006 by August 2, 2006. In order for Fairchild to supplement its expert report on damages prior to the August 18, 2006 close of damages discovery, Fairchild must receive this discovery by these dates. Please let us know immediately if there is any chance that this will not occur.

Once Power Integrations has provided this needed discovery, Fairchild will continue Mr. Balakrishnan's individual deposition. Fairchild will also notice a 30(b)(6) deposition of Power Integrations (a copy of that notice will be served shortly). Finally, Fairchild will depose Messrs. Earhart and Cobb. Please let us know whether you will represent these individuals and will accept a subpoena on their behalf. These depositions must all occur between August 3 and August 18, 2006 if the parties are to be able to proceed with the damages portion of the trial on October 6, 2006. Please let me know as soon as possible when these deposition can occur.



O R R I C K

Michael Headley
June 8, 2006
Page 2

Finally, during the pretrial hearing, Power Integrations stated that it would not supplement Mr. Troxel's report. If this is true, there is no need to postpone further Mr. Troxel's deposition. Please let us know whether Mr. Troxel would be available for deposition on Friday, June 30, 2006.

Sincerely,

A handwritten signature in black ink, appearing to read "Bas de Blank".

Bas de Blank

cc: William J. Marsden, Jr.
Howard G. Pollack

EXHIBIT 11

FISH & RICHARDSON P.C.

CONFIRMATION

Frederick P. Fish
1855-1930

W.K. Richardson
1859-1951

VIA FACSIMILE & U.S. MAIL
650/614-7401

June 22, 2006

Brian VanderZanden
Orrick, Herrington & Sutcliffe LLP
1000 Marsh Road
Menlo Park, CA 94025

Re: Power Integrations Inc. v. Fairchild Semiconductor Int'l
USDC-D. Del. - C.A. No. 04-1371-JJF

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AUSTIN

BOSTON

DALLAS

DELAWARE

NEW YORK

SAN DIEGO

SILICON VALLEY

TWIN CITIES

WASHINGTON, DC

Dear Brian:

I have reviewed Fairchild's letters concerning Power Integrations' investigation into the dates of certain stock option grants. They raise a number of issues that have no bearing on this litigation and seek discovery far out of proportion to any impact that the timing of option grants might have on this case.

First and foremost, there is no basis for taking a fifth day of deposition testimony from Power Integrations' President and CEO, Balu Balakrishnan. Equally baseless are Fairchild's demands to depose Howard Earhart, former Chairman of the Board of Power Integrations, and John Cobb, former CFO of Power Integrations. Judge Farnan made clear at the May 31 pretrial conference that "I'm one that's not going to be too persuaded by a lot of what goes on in corporate governance" and that he would allow some discovery only "if [Power Integrations] supplemental filings or substitute filings [with the SEC] are different than are being argued here today." [Tr. at 14:24-15:8, 19:12-20:5.] To date, neither Fairchild nor its damages expert have suggested how, in any way, restated stock option grant dates are relevant to the issues in this case, much less entitle Fairchild to such far-flung discovery. Nor has Fairchild suggested why Mr. Balakrishnan or the former Power Integrations employees might have any information regarding stock options that bears on this case.

Fairchild also seeks documents concerning Power Integrations' internal investigation regarding the stock option grant dates and asks for confirmation regarding various dates for Power Integrations' filings with the SEC and Nasdaq. Again, there is no apparent basis for these requests and no explanation as to how the information might bear on this patent case or why Fairchild would be entitled to such information.

Power Integrations has committed to filing updated financial information with the SEC as noted in the press release Fairchild produced at FCS1691854. Once that information is available, if Fairchild can make a specific showing that the earnings restatements on the very narrow issue of stock options grant dates have a meaningful

FISH & RICHARDSON P.C.

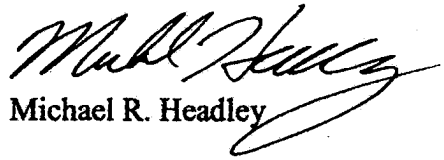
Brian VanderZanden

June 22, 2006

Page 2

impact on the damages analysis in this case, we will reconsider your requests at that time.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Headley", written over the printed name.

Michael R. Headley

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EXHIBIT 12

Power Integrations Receives Extension of Interim Nasdaq Deadline

SAN JOSE, Calif.--(BUSINESS WIRE)--July 10, 2006--Power Integrations (NASDAQ: POWI) today announced that it has been granted an extension of an upcoming interim deadline to file its Form 10-K for fiscal year 2005. As previously announced, the Nasdaq Listing Qualifications Panel had required that the company file its Form 10-K by July 12 as a condition of remaining listed on the Nasdaq National Market (now the Nasdaq Global Market). Power Integrations requested, and has been granted, an extension of this deadline to August 2, 2006, the same day by which the Panel requires the company to file its Form 10-Q for the quarter ended March 31, 2006. The filings of Form 10-K and the first-quarter Form 10-Q are the final remaining conditions for the company to regain compliance with Nasdaq Marketplace Rule 4310(c)(14).

The company intends to issue complete financial results for the second quarter of 2006 and host a conference call for the investment community soon after the above-mentioned filings are completed.

Note Regarding Forward-Looking Statements

The statement in this press release regarding Power Integrations' intent to issue complete financial results for the second quarter of 2006 and host a conference call soon after the above-mentioned filings are completed is a forward-looking statement involving risks and uncertainties that may cause actual results to differ materially from those projected or implied. This statement is based on current information that is subject to change. In particular, the company must file its Form 10-K for 2005 and its Form 10-Q for its first quarter of 2006 before it will be able to file its Form 10-Q for its second quarter of 2006. The completion of these forms is not entirely within the company's control, as the company's auditors must consent to the filing of audited financial statements prior to the company filing its Form 10-K. General risk factors associated with the company's business are explained in the company's annual report on Form 10-K, filed with the SEC on March 16, 2005, and its quarterly report on Form 10-Q, filed on November 7, 2005. The company is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

About Power Integrations

Power Integrations, Inc. is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough integrated-circuit technology enables compact, energy-efficient power supplies in a wide range of electronic products, in both AC-DC and DC-DC applications. The company's EcoSmart(R) energy-efficiency technology, which dramatically reduces energy waste, has saved consumers and businesses around the world more than an estimated \$1.6 billion on their electricity bills since its introduction in 1998. For more information, visit the company's website at www.powerint.com.

To receive Power Integrations news releases via e-mail, register at <http://www.b2i.us/irpass.asp?BzID=1306&to=ea&s=0>.

Contact:

Power Integrations, Inc.
Joe Shiffler, 408-414-8528
jshiffler@powerint.com

EXHIBIT 13



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July 11, 2006

Bas de Blank
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VIA FACSIMILE

Michael Headley
Fish & Richardson P.C.
500 Arguello Street
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Redwood City, CA 94036

Re: Power Integrations v. Fairchild Semiconductor et al. (CA 04-1371 JJF)

Dear Michael:

As discussed in the May 31, 2006 pretrial conference, Power Integrations was to provide its corrected financial reports no later than July 12, 2006. Relying on this date, the Court set an August 18, 2006 deadline for Fairchild to complete its damages discovery.

Late yesterday, however, Power Integrations announced that it will not provide its restated reports until August 2, 2006 – a further delay of three weeks. Consequently, we need to extend the deadline for damages discovery by the same three weeks. This is necessary to provide Fairchild with the time to which it is entitled to review Power Integrations' revisions, complete damages discovery related to these restatements, and to supplement its damages report, if necessary.

Please let me know by *noon on Wednesday, July 12, 2006* whether Power Integrations will agree to this extension. If Power Integrations will not agree, Fairchild will have no choice but to request that the Court extend the damages deadline and/or compel an immediate production of relevant documents and testimony.

Sincerely,

Bas de Blank

cc: William J. Marsden, Jr.
Howard G. Pollack

EXHIBIT 14

FISH & RICHARDSON P.C.

Frederick P. Fish
650-839-1930

W.K. Richardson
1859-1951

VIA FACSIMILE & U.S. MAIL

650/614-7401

July 12, 2006

Bas de Blank
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Re: Power Integrations Inc. v. Fairchild Semiconductor Int'l
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AUSTIN

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NEW YORK

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TWIN CITIES

WASHINGTON, DC

Dear Bas:

This letter responds to your letter of last night regarding the schedule for the completion of damages discovery. Your letter misrepresents that the parties discussed the July 12 interim deadline for Power Integrations to file its Form 10-K for fiscal year 2005 at the pretrial conference, and that the interim deadline provided the basis for the Court's order extending the damages discovery cutoff to August 18. This is plainly false. There was no discussion of the July 12 date during the May 31 pretrial conference; Mr. Guy repeatedly made reference to the August 2 deadline for Power Integrations to submit its 10-Q. See Pretrial Conf. Tr. at 7, 19, 50. Indeed, page 50 of the pretrial conference transcript makes perfectly clear that Mr. Guy asked for an August 18 damages discovery cutoff in light of the August 2 date for Power Integrations to file its quarterly report. *Id.* at 50.

It is clear that your request for a three week extension is another pretense for delaying this case, and Power Integrations cannot agree to anything that would throw off the current trial schedule. Nevertheless, because your letter suggests you may need some extra time, we are willing to extend the deadline for the cutoff of damages discovery by one week, to August 25, 2006, provided that this extension does not change the current schedule and that Fairchild not use this brief extension as a basis for changing the current schedule in any way.

I look forward to your response.

Sincerely,

Michael R. Headley

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